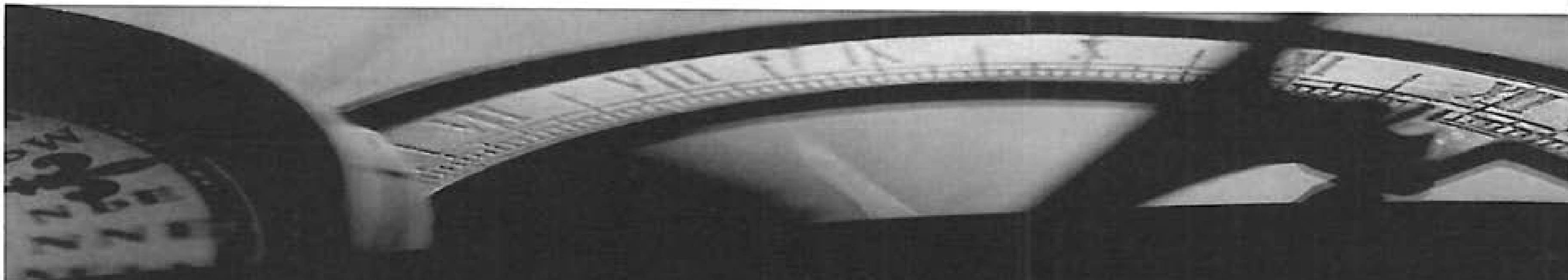
Exhibit B

HOULIHAN CAPITAL

Value. Added.



Valuation & Financial Advisory

Investment Banking

Special Situations

Fairness Opinion – Kannaway, LLC

Strictly Private and Confidential

Presentation of Fairness Opinion to The Board of Directors of Medical Marijuana, Inc.

December 31, 2014

This material has been prepared by Houlihan Capital, LLC ("Houlihan") as part of a presentation being made to the Board of Directors (the "Board") of Medical Marijuana, Inc. (the "Company" or "MJNA") in support of our opinion of fairness, from a financial point of view (the "Opinion"), as of December 31, 2014 (the "Date of Value"), for the Board's consideration with respect to a potential transaction pursuant to which the Company will acquire 100% of the membership interest of Kannaway, LLC ("Kannaway" or the "Target") from General Hemp, LLC (the "Seller" or "General Hemp") for a total equity value consideration of approximately $80.0 million (the "Transaction"). We further understand that the purchase consideration will consist of common shares of the Company where the number of common shares delivered is equal to 80,000,000 divided by the average closing price of MJNA stock in the 10 trading days prior to the close of the Transaction discounted by 25%. We also understand that the Seller is forgiving a loan to Kannaway of $116,000, which Kannaway represents is all of the outstanding debt on its balance sheet at the closing of the Transaction.

Our analyses contained herein are confidential and for the use of the Board. Any publication or use of this material or the analyses contained herein without the express written consent of Houlihan is strictly prohibited. Notwithstanding the foregoing, we understand that this presentation may be included as an attachment to the Company's filings with the U.S. Security and Exchange Commission (the "SEC") related to the Transaction, if it does take place. This Opinion is delivered to each recipient subject to the conditions, scope of engagement, limitations and understandings set forth in the Opinion and subject to the understanding that the obligations of Houlihan and any of its affiliates in the Transaction are solely corporate obligations, and no officer, director, employee, agent, shareholder, or controlling person of Houlihan or any of its affiliates shall be subjected to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of you or your affiliates against any such person with respect to the Opinion other than Houlihan.

Among the activities conducted in the course of our engagement as financial advisor, Houlihan received and reviewed business and financial information provided by the Company or the Target in connection with the analyses contained

herein. We have not independently verified any such information and have relied on all such information as being complete and accurate in all material respects.

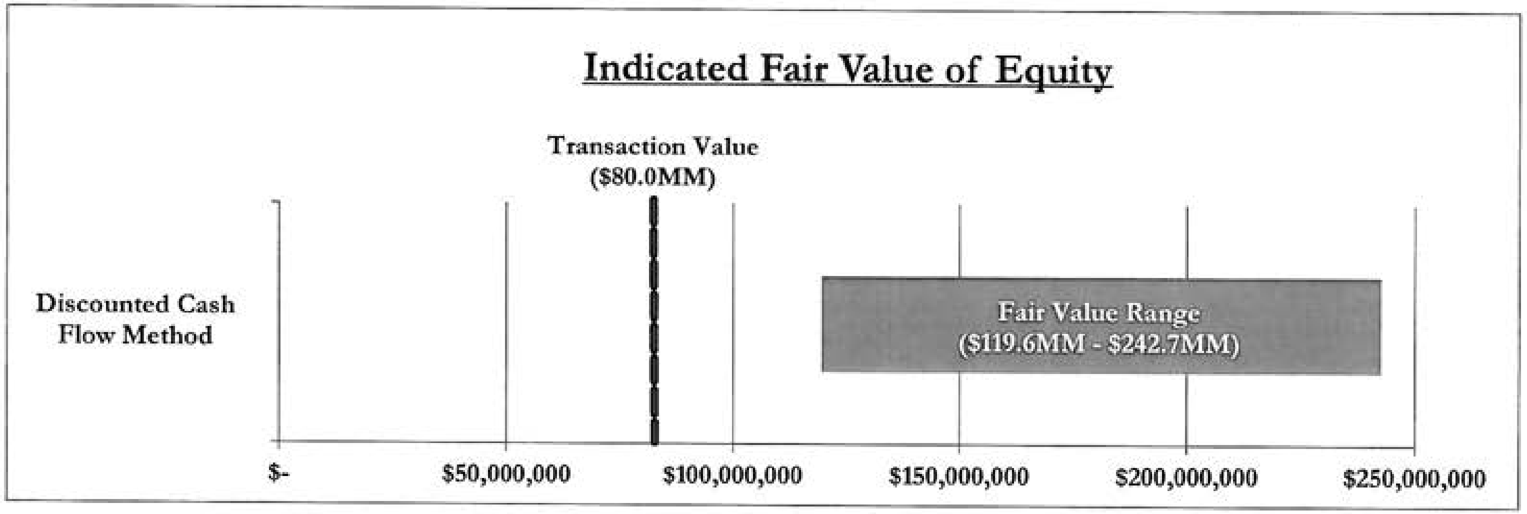
Several analytical methodologies have been employed herein and no one method of analysis should be regarded as critical to the overall conclusion we have reached. Each analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the value of particular techniques. The conclusions that we have reached are based on all of the analyses and factors presented herein taken as a whole and also on application of our own experience and judgment. Such conclusions may involve significant elements of subjective judgment or qualitative analysis. We therefore give no opinion as to the value or merit standing alone of any one or more parts of the material that follows.

Our only opinion is the formal written Opinion that we have expressed as to the fairness of the Transaction, from a financial point of view, to the Company and its shareholders. The Opinion, the analyses contained herein, and all conclusions drawn from such analyses are necessarily based upon market, economic, and other conditions that existed and could be evaluated as of the date of this presentation.

Table of Contents

Executive Summary

- Houlihan used an Income Approach (discounted cash flow method) to determine a fair value range for the equity value of Kannaway as of December 31, 2014 ("Date of Value"). Houlihan's fair value range for the equity value of Kannaway is summarized in the chart below.



- It is Houlihan's opinion that the Transaction is fair, from a financial point of view, to the Company and its shareholders.

Transaction Overview

- Houlihan understands that the Company is contemplating a potential transaction pursuant to which it will purchase 100% of Kannaway equity (or assets) from General Hemp, LLC.
- Houlihan understands that the purchase consideration will consist of common shares of the Company where the number of common shares delivered is equal to 80,000,000 divided by the average closing price of MJNA stock in the 10 trading days prior to the close of the Transaction discounted by 25%.
- We also understand that the Seller is forgiving a loan to Kannaway of $116,000, which Kannaway represents is all of the outstanding debt on its balance sheet at the closing of the Transaction.

Houlihan Process and Approach

- Houlihan was engaged to provide a fairness opinion to the Board regarding the fairness of the Transaction, from a financial point of view, to the Company and its shareholders.
- Houlihan was given unlimited access to pertinent information from both the Company and Target while conducting our due diligence in order to identify key issues and parties involved, address potential conflicts of interest and related parties, and identify methods of analyses to be considered.
- Houlihan analyzed the proposed structure of the Transaction and corresponding value to be paid and realized, respectively, by the shareholders of MJNA.
- As addressed further herein, Houlihan analyzed internal and external factors which could influence the value of Kannaway and performed such other analyses deemed appropriate and consistent with accepted business valuation techniques, including, but not necessarily limited to, the following:
    - Information provided by certain members of Kannaway's management ("Kannaway Management") regarding the potential Transaction and the outlook for Kannaway, including relevant information for a discounted cash flow analysis;
    - The monthly unaudited historical financial results for Kannaway from January 2014 through October 2014, as well as projected financial results for the years ending December 31, 2014 through 2017 prepared by Kannaway Management; and
    - Information regarding guideline publicly traded companies considered similar to the Company and the Target.
- Houlihan prepared its Opinion and conducted an internal fairness committee meeting in order to assess the fairness of the Transaction.

Executive Summary

Houlihan's Opinion addresses only the fairness to the Company and its shareholders, from a financial point of view, of the Transaction. Houlihan was not requested to opine as to, and its Opinion does not address the:

- Underlying business decision of the Company, the Company's security holders or any other party to proceed with or effect the proposed Transaction;
- Fairness of any portion or aspect of the proposed Transaction not expressly addressed in its Opinion;
- Terms of the Transaction (except as expressly set forth in its Opinion as to the fairness, from a financial point of view, of the Transaction), including without limitation the closing conditions and other provisions thereof;
- Fairness of any portion or aspect of the proposed Transaction to the holders of any securities, creditors, or other constituencies of the Company, or any other party other than those set forth in its Opinion;
- Relative merits of the proposed Transaction as compared to any alternative business strategies that might exist for the Company or the effect of any other transaction in which the Company might engage; or
- Tax or legal consequences of the proposed Transaction to either the Company, its security holders, or any other party.

Furthermore, no opinion, counsel, or interpretation was intended in matters that require legal, regulatory, accounting, insurance, tax, or other similar professional advice.

Houlihan was not requested to make, and did not make, any physical inspection or independent appraisal or evaluation of any of the assets, properties, or liabilities (contingent or otherwise) of the Company or the Target, nor was Houlihan provided with any such appraisal or evaluation.

Houlihan was not requested to, and did not:

- Initiate any discussions with, or solicit any indications of interest from, third parties with respect to the Transaction or any alternatives to the proposed Transaction;
- Negotiate the terms of the proposed Transaction; or
- Advise the Board with respect to alternatives to the proposed Transaction.

Houlihan's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of its Opinion. Houlihan is under no obligation, to update, revise, reaffirm or withdraw its Opinion, or otherwise comment on or consider events occurring after the date of its Opinion.

Houlihan, as part of its investment banking services, is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, underwritings, private placements, bankruptcies, capital restructurings, solvency analyses, stock buybacks and valuations for corporate and other purposes. Houlihan has received a non-contingent fee relating to its services in providing the Opinion. In an engagement letter dated November 25, 2014, MJNA has agreed to indemnify Houlihan with respect to Houlihan's services relating to the Opinion.

Due Diligence Procedures

In completing our analyses and for purposes of the analysis set forth herein, Houlihan has, among other things, performed the following procedures.

- Held discussions and had other communications with certain members of MJNA management ("Management") and Kannaway Management regarding the Transaction, as well as the historical financial results of and the outlook for the Target's business;
- Reviewed a draft Sale of Membership Interest Agreement, dated December 26, 2014.
- Reviewed an organizational chart of MJNA and Kannaway prepared by Kannaway Management;
- Reviewed a document prepared by Kannaway Management describing the history, industry, products, and strategy of the Target;
- Reviewed the biographies of key members of Kannaway;
- Obtained, reviewed, and/or analyzed certain information relating to the historical, current, and future operations of the Company and Target including, but not limited to, the following:
    - MJNA Information and Disclosure Statements for the periods ending December 31, 2013 and September 30, 2014, as well as other relevant publicly available documents, as filed with the SEC;
    - Monthly unaudited historical financial results for Kannaway from January 2014 through October 2014; and
    - Projected financial results for Kannaway for the years ended December 31, 2014 to 2017, excluding any cash flow or balance sheet projections, prepared by Kannaway Management.

Due Diligence Procedures (continued)

- Obtained, reviewed, and/or analyzed information regarding the industry in which the Company and Target operates, which included a review of, but was not necessarily limited to, the following:
    - Certain industry research, such as analyst reports and data available from various financial research databases; and
    - Information regarding certain guideline publicly traded companies considered reasonably comparable to the Company and/or the Target;
- Reviewed certain other relevant, publicly available information, including economic, industry, and information specific to the Company and/or the Target, as deemed reasonable and pertinent to this engagement and the associated analyses; and
- Developed indications of value for the Target using generally accepted valuation methodologies, utilizing information and sources including, but not necessarily limited to, those described above.

Company Overview – Kannaway

Since Kannaway's establishment in 2014, the company has championed a commitment to the revitalization of Hemp in America developing quality cannabidiol ("CBD") hemp oil-based products that promote a healthy lifestyle and financial independence. Kannaway utilizes Relationship Marketing, or multi-level marketing ("MLM") as a business model that has Independent Distributors market goods and services to consumers. Capitol normally allocated for advertising and internal sales is paid directly to the distributor sales force. This model not only pays distributors a commission for their own sales, but it allows them to build a sales organization and receive commissions or bonuses on the sales generated by the distributors in the organizations. As the first and only Cannabis based MLM Company, Kannaway has become what is termed as a "Category Creator" in the space. Kannaway markets its products in the U.S. and Puerto Rico and is planning on expanding into Spain, Mexico, the Dominican Republic, and the U.K. Kannaway made its first sale in April 2014.

Kannaway's primary products are shown on the next page.

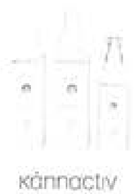
Company Overview

rev!ve: an advanced nutritional product, powered by an exclusive Bi-Bong™ herbal formula, organic MCT oil, and natural CBD from hemp. rev!ve™ is an amazingly delicious nutrient-rich supplement blend. Each rev!ve™ tube contains over 50mg of whole food CBD from hemp paired with synergistic Bi-Bong™ herbs, Vitamin D, and organic MCT oil for optimal absorption.

Kannakick: a first-of-its-kind functional food chew square that contains CBD oil.

Cannabis Beauty Defined: an anti-aging skin care line using proprietary formulations passed down through generations of master herbalists. This uplifting blend of natural and organic botanicals are revered for their skin-renewing properties, and include detoxifying herbs that work harmoniously with CBD oil for smooth, refreshed skin.

HempVĀp: the first hemp-based CBD vaporizing product on the market. This cool and sleek-looking custom designed vaporizer doesn't use high-nicotine for an intense "buzz" like other vapes, electronic cigaretts, and hookahs do.



Kannactiv: a natural, healthy alternative to most products available on the market for the treatment of troubled skin. Kannaway has a five-year exclusive sales agreement with the maker of Kannactiv.

Company Overview

Kannaway's Brand Ambassador plan empowers individuals to achieve their financial goals by developing a sales organization and earning commissions on product sales. Brand Ambassadors pay $15 per month for sales support access to product. Brand Ambassadors have up to nine ways to earn commissions, rewards, and free products.

3 personally sponsored Preferred Customers in a calendar month

=

*There are no commissions paid on free product.

Financial Summary

- **Monthly Income Statement, January 2014 – October 2014**

Kannaway, LLC
Income Statement
As of December 31, 2014

	Actuals							
	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
NET REVENUE								
Business Ambassador Fee Revenue	-	-	-	166,515	162,345	143,385	119,055	98,145
Event Ticket Sales	-	-	-	60,052	-	22,409	-	4,422
Product Sales	-	-	1,375,000	620,929	757,038	391,553	288,613	227,888
Shipping Charges Collected	-	-	159,210	50,247	64,177	44,294	30,181	23,283
Chargebacks/Other	-	-	(12,719)	(9,250)	(21,838)	(21,859)	-	-
TOTAL NET REVENUE	-	-	1,521,491	888,494	961,721	579,782	437,849	353,738
COST OF REVENUE								
Brand Ambassador Fees	-	1,600	1,600	-	4,100	5,000	6,100	26,821
Product	-	-	461,988	208,755	218,474	183,433	96,136	79,774
TOTAL COST OF REVENUE	-	1,600	463,588	208,755	222,574	188,433	102,236	106,595
GROSS PROFIT	-	(1,600)	1,057,903	679,739	739,148	391,349	335,614	247,143
Gross Profit Margin %	*NA*	*NA*	*69.5%*	*76.5%*	*76.9%*	*67.5%*	*76.7%*	*69.9%*
OPERATING EXPENSES								
Advertising and Promotion	3,194	2,250	7,658	7,660	35,292	29,659	60,294	23,332
Bank Service Charges	-	12	106,504	57,288	67,410	39,051	119	378
Shipping Expense	-	-	175,000	-	2,005	175,631	30,181	23,283
Travel Expense	(1,396)	-	7,160	45,744	103,261	7,542	56,277	9,033
Sales Commissions	-	-	342,790	245,453	260,983	135,589	92,344	126,516
Other	13,000	15,187	178,733	40,166	68,030	186,911	103,033	106,764
TOTAL OPERATING EXPENSES	14,798	17,449	817,845	396,311	536,981	574,383	342,248	289,306
INCOME FROM OPERATIONS	(14,798)	(19,049)	240,058	283,428	202,167	(183,034)	(6,635)	(42,163)
Operating Income Margin %	*NA*	*NA*	*15.8%*	*31.9%*	*21.0%*	*-31.6%*	*-1.5%*	*-11.9%*
Depreciation Expense	-	-	-	-	-	-	-	-
Amortization Expense	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
INCOME BEFORE INCOME TAXES (EBIT)	(14,798)	(19,049)	240,058	283,428	202,167	(183,034)	(6,635)	(42,163)
Income Taxes	-	-	-	-	-	-	-	-
NET INCOME	(14,798)	(19,049)	240,058	283,428	202,167	(183,034)	(6,635)	(42,163)
Net Income Margin %	*NA*	*NA*	*15.8%*	*31.9%*	*21.0%*	*-31.6%*	*-1.5%*	*-11.9%*
EBITDA	(14,798)	(19,049)	240,058	283,428	202,167	(183,034)	(6,635)	(42,163)
EBITDA Margin %	*NA*	*NA*	*15.8%*	*31.9%*	*21.0%*	*-31.6%*	*-1.5%*	*-11.9%*

Financial Summary (continued)

- **Balance Sheet, October 31, 2014**

Kannaway, LLC
Balance Sheet
As of October 31, 2014

		As of 10/31/2014
CURRENT ASSETS		
Cash and Cash Equivalents	$	3,644
Inventory	$	37,369
Accounts Receivable	$	897,466
Other Current Assets	$	39,400
TOTAL CURRENT ASSETS	**$**	**977,879**
NET FIXED ASSETS	$	856,379
TOTAL ASSETS	**$**	**1,834,258**
CURRENT LIABILITIES		
Accounts Payable & Accrued Liabilities	$	372,800
Sales Commissions Due	$	(97)
Current Portion of Long-Term Debt	$	191,142
TOTAL CURRENT LIABILITIES	**$**	**563,845**
SHAREHOLDERS' EQUITY		
Common stock	$	849,850
Accumulated earnings (deficit)	$	420,563
TOTAL SHAREHOLDERS' EQUITY	**$**	**1,270,413**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**$**	**1,834,258**
NET WORKING CAPITAL RELATIONSHIP		
Current Assets (Excld. Cash) [1]	$	974,235
Current Liabilities (Excld. Debt) [2]	$	372,703
Net Working Capital (Excld. Cash & Debt)	**$**	**601,532**

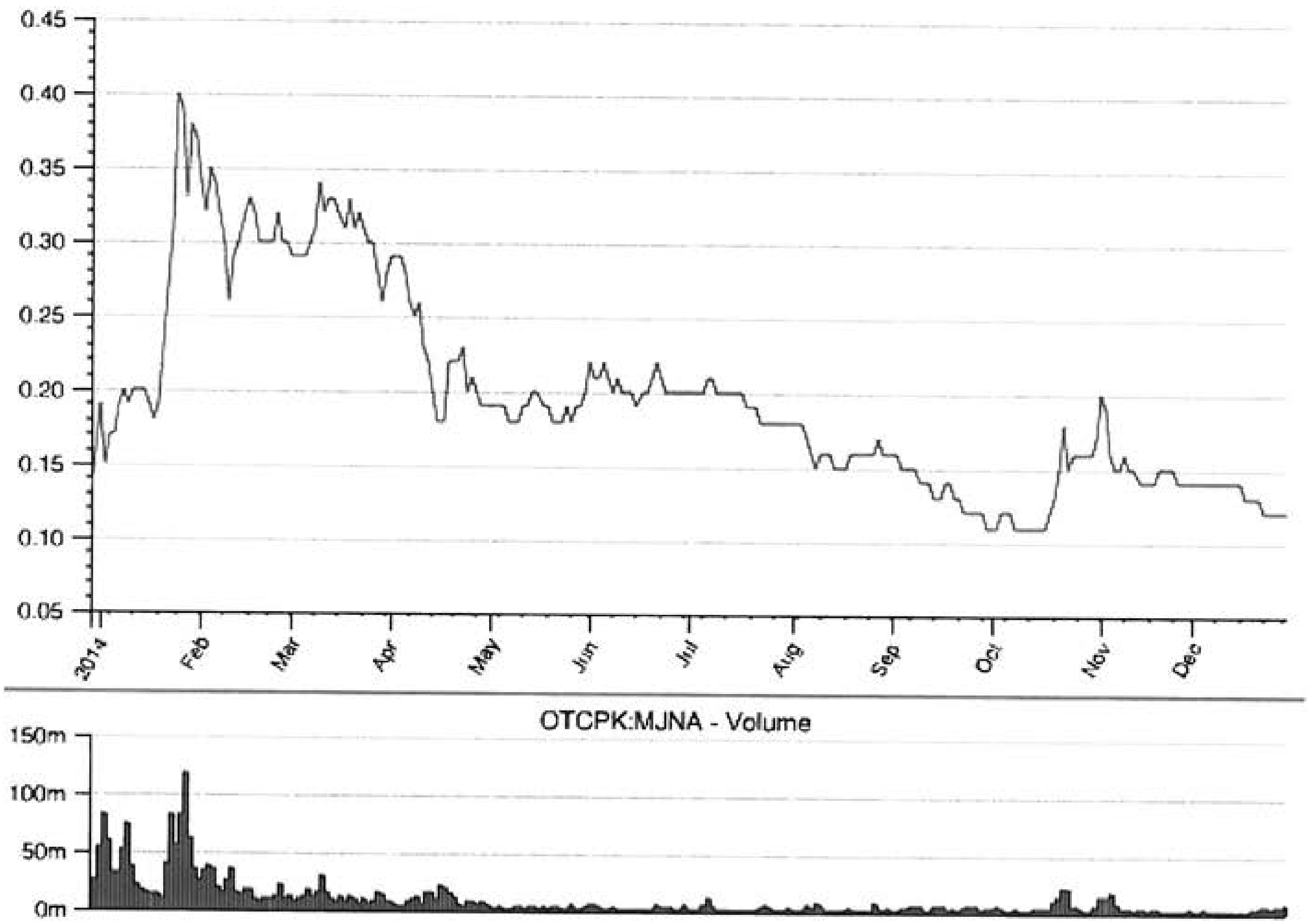
[1] Excluding Cash and Cash Equivalents
[2] Excluding Current Portion of Debt

Company Overview – MJNA

Medical Marijuana, Inc. operates in the medical marijuana and industrial hemp markets. Its products range from patented and proprietary based cannabinoid products to seed and stalk or isolated high value extracts manufactured and formulated for the pharmaceutical, nutraceutical, and cosmeceutical industries. The company develops cannabinoid-based health and wellness products, and medical grade cannabinoid compounds; and licenses its proprietary testing, genetics, labeling and packaging, tracking, production, and standardization methods for the medicinal cannabinoid industry, as well as offers pre-and-post production tracking, gemplasm references, and packaging and processing services. Its products include Real Scientific Hemp Oil, Cibaderm, Cibdex, and Dixie Botanicals. The company also engages in the management, capitalization, and development of health and wellness facilities, medical clinics, and cooperatives. In addition, it offers cannabidiol based products to consumers; chewing gum-based cannabis/cannabinoid medical products for the treatment of pain and other medical disorders; and cannabidiol hemp oil. Medical Marijuana, Inc. was incorporated in 2003 and is headquartered in San Diego, California.

Company Overview (continued)

- The shares of MJNA's common stock are currently quoted on the OTC Bulletin Board under the Symbol MJNA.



Company Overview (continued)

- The following provides a summary of current common stock share statistics:

Kannaway, LLC
MJNA Share Statistics

($ in millions, except per share data)

Metric	
Exchange	OTCPK:MJNA
Share Price	$0.12
% of 52-Week High	24.0%
Average Volume - 10 Day	5.40
Average Volume - 3 Month	4.73
Shares Outstanding[2]	598.6
Free Float	558.4
Free Float %	93.3%
% Held by Insiders	6.7%
Shares Short	N/A
Short Ratio	N/A
Short Percent of Float	N/A

[1]Source: Capital IQ and Yahoo! Finance as of December 30, 2014.
[2]Excludes out of the money options and warrants.

Guideline Public Company Method

The Guideline Public Company Method is a valuation technique within the Market Approach that analyzes transactions in the public equity markets for common stock of companies operating in industries similar to that of the Kannaway.

While it is generally agreed that no two companies are exactly alike, consideration is given to the similarity in operations, size, profitability, growth, and risk, as well as other operating characteristics of the guideline public companies to determine an informed estimate of value for a subject company.

Houlihan searched for reasonably comparable companies in the hemp industry as well as MLM companies in the personal products industry. While Houlihan identified several such companies, ultimately Houlihan elected not to employ the Guideline Public Company method in valuing Kannaway. Given that Kannaway has been in operation for under a year and the explosive growth anticipated by Management, the guideline public companies identified (which are more mature, have lower growth expectations, or are not widely covered and therefore do not have estimates available) do not provide reliable benchmarks to use in valuing Kannaway.

The companies identified, though not relied on for the Guideline Public Company method, are shown below:

Kannaway, LLC
Guideline Public Companies

Hemp Companies

Company Name	Ticker	Industry
Cannabis Sativa, Inc.	OTCBB:CBDS	Personal Products
CannaVEST Corp.	OTCPK:CANV	Personal Products
FutureWorld Corp.	OTCPK:FWDG	Health Care Technology
Medical Marijuana, Inc.	OTCPK:MJNA	Healthcare Services

MLM Companies

Company Name	Ticker	Industry
Avidus Management Group Inc.	TSXV:AVD	Personal Products
Avon Products Inc.	NYSE:AVP	Personal Products
Lifevantage Corporation	NasdaqCM:LFVN	Personal Products
Nature's Sunshine Products Inc.	NasdaqCM:NATR	Personal Products
Nu Skin Enterprises Inc.	NYSE:NUS	Personal Products
USANA Health Sciences Inc.	NYSE:USNA	Personal Products
Youngevity International, Inc.	OTCPK:YGYI	Personal Products

Comparable Transactions Method

Houlihan also searched for, but was unable to find, meaningful information for sales transactions of comparable hemp companies or MLM personal products companies. Therefore, we did not apply the comparable transaction method in our overall valuation analyses.

Discounted Cash Flow Method

The discounted cash flow ("DCF") method, a form of the Income Approach, is based on the premise that the value of a security or asset is the present value of the future earning capacity that is available for distribution to investors in the security or asset. A commonly used methodology under the Income Approach is a DCF analysis. Using this analysis, value is indicated from all the future cash flows that flow to the firm discounted to present value at a required rate of return.

The first step for the DCF analysis involves projecting free cash flows derived from normalized historical data, management insights and trend analysis to analyze formal projections for a period of time that adequately reflects the primary growth phase of the subject company. The second step is to discount the projected free cash flows to represent value at an appropriate discount rate. This rate should consider the time value of money, inflation and the risk inherent in ownership of the asset or security interest being valued.

Houlihan relied on a set of projected revenues and expenses for 2015 through 2017 prepared by Kannaway Management. The projections were created using a bottom-up methodology in which the number of Brand Ambassadors and revenue per ambassador formed the basis for the revenue projections. Although the projections assume rapid growth targets (compound annual growth rate ("CAGR") of revenue of 224%), management of both Kannaway and MJNA characterized the projections as overly conservative, citing the exponential nature of the MLM structure and recent additions to the Kannaway team from two individuals with a combined sales network of approximately 85,000 people. While the number of Brand Ambassadors had declined every month between Kannaway's launch in April 2014 and the latest data available for October 2014, the addition of 85,000 people is over 2.5x the highest number of Brand Ambassadors assumed in the Kannaway Management projections.

With Kannaway Management's projections as a starting point, and based on discussions with Management, Houlihan extended the forecast through 2024 under two different scenarios before reaching a stable rate of growth since the final year of the Kannaway Management projections had revenue growing by 177% over the prior year. The more

conservative scenario assumes a 2017-2024 CAGR of 17.4% (the "Low Case") while the more aggressive scenario assumes a 2017-2014 CAGR of 34.1% (the High Case"). Both scenarios assume EBITDA margins of 20.8%, the level in the final year of the Kannaway Management projections.

The projections provided by Kannaway Management did not include estimates for net working capital, capital expenditures, or depreciation, so Houlihan estimated these amounts as a percentage of revenue based on the observed levels of the MLM guideline public companies. We noted that, as an asset light company, Kannaway's capital expenditure requirements can be expected to be relatively low (median of MLM comps at 2.0% of revenue) while net working capital can be expected to be negative as Kannaway holds very little inventory itself, sales are typically paid for by customers up-front, and commissions are paid in arrears. Based on the MLM comps, we estimated net working capital at -7.0% of revenue.

In the DCF analysis that follows, Houlihan discounted the enterprise net cash flows for each year applying the Company's 30.0% estimated WACC and a standard mid-year convention, typical to valuation practice.

Houlihan also determined the Target's terminal cash flow by growing the enterprise net cash flow projected for 2024 by Kannaway's estimated long-term growth rate of 3.0%. Houlihan estimated Kannaway's long-term growth rate based on the U.S. GDP outlook, an analysis of the industry in which it operates, and company specific factors.

Houlihan capitalized the terminal cash flow to determine the terminal value by multiplying the terminal cash flow by the capitalization multiple, calculated as: 1/(WACC - long-term growth rate) = 1/(30.0% - 3.0%). Houlihan then discounted the terminal value to its present value by applying the appropriate present value factor.

Next, Houlihan summed the present value of the cash flows and the terminal value to determine the enterprise value. The fair value of Kannaway equity was calculated by adding the Target's cash and cash equivalents and subtracting total interest bearing debt.

Low Case

Kannaway, LLC
Discounted Cash Flow Analysis
As of December 31, 2014

LOW CASE

	Projected 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Projected Period									
NET REVENUE											
Business Ambassador Fee Revenue	$ 840,465	$ 3,040,204	$ 5,144,373	$ 5,796,809	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Event Ticket Sales	89,190	250,846	313,558	391,947	-	-	-	-	-	-	-
Product Sales	4,229,398	19,984,054	57,255,310	167,567,403	-	-	-	-	-	-	-
Shipping Charges Collected	421,175	2,072,500	5,637,200	15,668,100	-	-	-	-	-	-	-
Chargebacks/Other	(75,839)	(353,989)	(1,014,196)	(2,968,218)	-	-	-	-	-	-	-
TOTAL NET REVENUE	$ 5,504,389	$ 24,993,615	$ 67,336,245	$ 186,456,041	$ 279,684,062	$ 349,605,077	$ 419,526,092	$ 482,455,006	$ 530,700,507	$ 557,235,532	$ 573,952,598
Revenue Growth %	*N/A*	*354.1%*	*169.4%*	*176.9%*	*50.0%*	*25.0%*	*20.0%*	*15.0%*	*10.0%*	*5.0%*	*3.0%*
COST OF REVENUE											
Brand Ambassador Fees	$ 84,719	$ 567,505	$ 960,283	$ 1,082,071	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Product	1,438,873	6,798,575	19,478,256	57,006,430	-	-	-	-	-	-	-
TOTAL COST OF REVENUE	$ 1,523,592	$ 7,366,080	$ 20,438,539	$ 58,088,501	$ 87,132,752	$ 108,915,939	$ 130,699,127	$ 150,303,996	$ 165,334,396	$ 173,601,116	$ 178,809,149
GROSS PROFIT	$ 3,980,797	$ 17,627,535	$ 46,897,706	$ 128,367,540	$ 192,551,310	$ 240,689,138	$ 288,826,965	$ 332,151,010	$ 365,366,111	$ 383,634,416	$ 395,143,449
Gross Profit Margin %	*72.3%*	*70.5%*	*69.6%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*
OPERATING EXPENSES											
Advertising and Promotion	$ 232,423	$ 979,364	$ 1,505,907	$ 2,303,753	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank Service Charges	317,196	1,440,284	2,871,097	7,950,147	-	-	-	-	-	-	-
Shipping Expense	461,658	1,812,037	4,208,515	9,322,802	-	-	-	-	-	-	-
Travel Expense	246,701	625,085	1,683,397	4,660,513	-	-	-	-	-	-	-
Sales Commissions	1,430,661	6,994,419	20,039,358	58,648,591	-	-	-	-	-	-	-
Other	871,438	1,809,396	3,460,212	6,095,243	-	-	-	-	-	-	-
Total Operating Expenses	$ 3,560,077	$ 13,660,585	$ 33,768,486	$ 89,581,049	$ 134,371,574	$ 167,964,467	$ 201,557,360	$ 231,790,964	$ 254,970,061	$ 267,718,564	$ 275,750,121
INCOME FROM OPERATIONS	$ 420,720	$ 3,966,950	$ 13,129,220	$ 38,786,491	$ 58,179,737	$ 72,724,671	$ 87,269,605	$ 100,360,045	$ 110,396,050	$ 115,915,853	$ 119,393,328
Operating Income Margin %	*7.6%*	*15.9%*	*19.5%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*
Depreciation Expense	$ -	$ 499,872	$ 1,346,725	$ 3,729,121	$ 5,593,681	$ 6,992,102	$ 8,390,522	$ 9,649,100	$ 10,614,010	$ 11,144,711	$ 11,479,052
Interest Expense	-	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE INCOME TAXES (EBIT)	$ 420,720	$ 3,467,078	$ 11,782,495	$ 35,057,370	$ 52,586,055	$ 65,732,569	$ 78,879,083	$ 90,710,945	$ 99,782,040	$ 104,771,142	$ 107,914,276
Income Taxes	-	-	-	-	-	-	-	-	-	-	-
NET INCOME	$ 420,720	$ 3,467,078	$ 11,782,495	$ 35,057,370	$ 52,586,055	$ 65,732,569	$ 78,879,083	$ 90,710,945	$ 99,782,040	$ 104,771,142	$ 107,914,276
Net Income Margin %	*7.6%*	*13.9%*	*17.5%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*
EBITDA	$ 420,720	$ 3,966,950	$ 13,129,220	$ 38,786,491	$ 58,179,737	$ 72,724,671	$ 87,269,605	$ 100,360,045	$ 110,396,050	$ 115,915,853	$ 119,393,328
EBITDA Margin %	*7.6%*	*15.9%*	*19.5%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*

Kannaway, LLC
Discounted Cash Flow Analysis
As of December 31, 2014

LOW CASE

	Projected 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Projected Period									
EBITDA	$ 420,720	$ 3,966,950	$ 13,129,220	$ 38,786,491	$ 58,179,737	$ 72,724,671	$ 87,269,605	$ 100,360,045	$ 110,396,050	$ 115,915,853	$ 119,393,328
Less: Depreciation and Amortization	-	(499,872)	(1,346,725)	(3,729,121)	(5,593,681)	(6,992,102)	(8,390,522)	(9,649,100)	(10,614,010)	(11,144,711)	(11,479,052)
EBIT	$ 420,720	$ 3,467,078	$ 11,782,495	$ 35,057,370	$ 52,586,055	$ 65,732,569	$ 78,879,083	$ 90,710,945	$ 99,782,040	$ 104,771,142	$ 107,914,276
Less: Income (Taxes) Benefit @ 40.00%	(168,288)	(1,386,831)	(4,712,998)	(14,022,948)	(21,034,422)	(26,293,028)	(31,551,633)	(36,284,378)	(39,912,816)	(41,908,457)	(43,165,710)
Debt-Free Net Income (NOPAT)	$ 252,432	$ 2,080,247	$ 7,069,497	$ 21,034,422	$ 31,551,633	$ 39,439,541	$ 47,327,450	$ 54,426,567	$ 59,869,224	$ 62,862,685	$ 64,748,566
Plus: Depreciation and Amortization		499,872	1,346,725	3,729,121	5,593,681	6,992,102	8,390,522	9,649,100	10,614,010	11,144,711	11,479,052
Enterprise Gross Cash Flow		$ 2,580,119	$ 8,416,222	$ 24,763,543	$ 37,145,314	$ 46,431,643	$ 55,717,972	$ 64,075,667	$ 70,483,234	$ 74,007,396	$ 76,227,618
Less: Additions in Working Capital		2,351,085	2,963,984	8,338,386	6,525,961	4,894,471	4,894,471	4,405,024	3,377,185	1,857,452	1,170,195
Less: Capital Expenditures		(499,872)	(1,346,725)	(3,729,121)	(5,593,681)	(6,992,102)	(8,390,522)	(9,649,100)	(10,614,010)	(11,144,711)	(11,479,052)
Enterprise Net Cash Flow		$ 4,431,332	$ 10,033,481	$ 29,372,808	$ 38,077,595	$ 44,334,013	$ 52,221,921	$ 58,831,591	$ 63,246,409	$ 64,720,137	$ 65,918,760
Enterprise Net Cash Flow Growth		*NA*	*126.4%*	*192.7%*	*29.6%*	*16.4%*	*17.8%*	*12.7%*	*7.5%*	*2.3%*	*1.9%*
Enterprise Net Cash Flow Margin		*17.7%*	*14.9%*	*15.8%*	*13.6%*	*12.7%*	*12.4%*	*12.2%*	*11.9%*	*11.6%*	*11.5%*
Present Value of Enterprise Net Cash Flows:											
Partial Period Factor		100.0%									
Present Value Factor @ 30.00%		*0.8771*	*0.6747*	*0.5190*	*0.3992*	*0.3071*	*0.2362*	*0.1817*	*0.1398*	*0.1075*	*0.0827*
Present Value of Enterprise Net Cash Flows		$ 3,886,535	$ 6,769,189	$ 15,243,584	$ 15,200,846	$ 13,614,195	$ 12,335,717	$ 10,690,027	$ 8,840,172	$ 6,958,585	$ 5,451,891
Total Present Value of Enterprise Net Cash Flows		$ 98,990,741									

Present Value of Terminal Value:	
Terminal Cash Flow (2024 Net Cash Flow x Terminal Growth at 3.0%)	$ 67,896,323
Capitalization Multiple (1 / (WACC - g))	3.7
Terminal Value	$ 251,467,863
Present Value Factor @ 30.00%	0.0827
Present Value of Terminal Value	$ 20,797,956

Valuation Summary:	
Total Present Value of Enterprise Net Cash Flows	$ 98,990,741
Present Value of Terminal Value	20,797,956
Indicated Enterprise Value - Controlling, Marketable Basis	$ 119,788,697
Plus: Cash and Cash Equivalents	3,644
Less: Total Interest Bearing Debt	(191,142)
Indicated Equity Value - Controlling, Marketable Basis	$ 119,601,199

High Case

Kannaway, LLC
Discounted Cash Flow Analysis
As of December 31, 2014

HIGH CASE

	Projected 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		Projected Period									
NET REVENUE											
Business Ambassador Fee Revenue	$ 840,465	$ 3,040,204	$ 5,144,373	$ 5,796,809	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Event Ticket Sales	89,190	250,846	313,558	391,947	-	-	-	-	-	-	-
Product Sales	4,229,398	19,984,054	57,255,310	167,567,403	-	-	-	-	-	-	-
Shipping Charges Collected	421,175	2,072,500	5,637,200	15,668,100	-	-	-	-	-	-	-
Chargebacks/Other	(75,839)	(353,989)	(1,014,196)	(2,968,218)	-	-	-	-	-	-	-
TOTAL NET REVENUE	**$ 5,504,389**	**$ 24,993,615**	**$ 67,336,245**	**$ 186,456,041**	**$ 372,912,082**	**$ 652,596,144**	**$ 978,894,215**	**$ 1,223,617,769**	**$ 1,345,979,546**	**$ 1,413,278,523**	**$ 1,455,676,879**
Revenue Growth %	*N/A*	*354.1%*	*169.4%*	*176.9%*	*100.0%*	*75.0%*	*50.0%*	*25.0%*	*10.0%*	*5.0%*	*3.0%*
COST OF REVENUE											
Brand Ambassador Fees	$ 84,719	$ 567,505	$ 960,283	$ 1,082,071	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Product	1,438,873	6,798,575	19,478,256	57,006,430	-	-	-	-	-	-	-
TOTAL COST OF REVENUE	**$ 1,523,592**	**$ 7,366,080**	**$ 20,438,539**	**$ 58,088,501**	**$ 116,177,002**	**$ 203,309,754**	**$ 304,964,630**	**$ 381,205,788**	**$ 419,326,367**	**$ 440,292,685**	**$ 453,501,465**
GROSS PROFIT	**$ 3,980,797**	**$ 17,627,535**	**$ 46,897,706**	**$ 128,367,540**	**$ 256,735,080**	**$ 449,286,390**	**$ 673,929,585**	**$ 842,411,981**	**$ 926,653,179**	**$ 972,985,838**	**$ 1,002,175,413**
Gross Profit Margin %	*72.3%*	*70.5%*	*69.6%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*	*68.8%*
OPERATING EXPENSES											
Advertising and Promotion	$ 232,423	$ 979,364	$ 1,505,907	$ 2,303,753	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank Service Charges	317,196	1,440,284	2,871,097	7,950,147	-	-	-	-	-	-	-
Shipping Expense	461,658	1,812,037	4,208,515	9,322,802	-	-	-	-	-	-	-
Travel Expense	246,701	625,085	1,683,397	4,660,513	-	-	-	-	-	-	-
Sales Commissions	1,430,661	6,994,419	20,039,358	58,648,591	-	-	-	-	-	-	-
Other	871,438	1,809,396	3,460,212	6,695,243	-	-	-	-	-	-	-
Total Operating Expenses	$ 3,560,077	$ 13,660,585	$ 33,768,486	$ 89,581,049	$ 179,162,098	$ 313,533,672	$ 470,300,507	$ 587,875,634	$ 646,663,197	$ 678,996,357	$ 699,366,248
INCOME FROM OPERATIONS	**$ 420,720**	**$ 3,966,950**	**$ 13,129,220**	**$ 38,786,491**	**$ 77,572,982**	**$ 135,752,719**	**$ 203,629,078**	**$ 254,536,347**	**$ 279,989,982**	**$ 293,989,481**	**$ 302,809,165**
Operating Income Margin %	*7.6%*	*15.9%*	*19.5%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*	*20.8%*
Depreciation Expense	$ -	$ 499,872	$ 1,346,725	$ 3,729,121	$ 7,458,242	$ 13,051,923	$ 19,577,884	$ 24,472,355	$ 26,919,591	$ 28,265,570	$ 29,113,538
Interest Expense	-	-	-	-	-	-	-	-	-	-	-
INCOME BEFORE INCOME TAXES (EBIT)	**$ 420,720**	**$ 3,467,078**	**$ 11,782,495**	**$ 35,057,370**	**$ 70,114,740**	**$ 122,700,796**	**$ 184,051,193**	**$ 230,063,992**	**$ 253,070,391**	**$ 265,723,911**	**$ 273,695,628**
Income Taxes	-	-	-	-	-	-	-	-	-	-	-
NET INCOME	**$ 420,720**	**$ 3,467,078**	**$ 11,782,495**	**$ 35,057,370**	**$ 70,114,740**	**$ 122,700,796**	**$ 184,051,193**	**$ 230,063,992**	**$ 253,070,391**	**$ 265,723,911**	**$ 273,695,628**
Net Income Margin %	*7.6%*	*13.9%*	*17.5%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*
EBITDA	**$ 420,720**	**$ 3,966,950**	**$ 13,129,220**	**$ 38,786,491**	**$ 77,572,982**	**$ 135,752,719**	**$ 203,629,078**	**$ 254,536,347**	**$ 279,989,982**	**$ 293,989,481**	**$ 302,809,165**
EBITDA Margin %	***7.6%***	***15.9%***	***19.5%***	***20.8%***	***20.8%***	***20.8%***	***20.8%***	***20.8%***	***20.8%***	***20.8%***	***20.8%***

Kannaway, LLC
Discounted Cash Flow Analysis
As of December 31, 2014

HIGH CASE

	Projected 2014	Projected Period 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EBITDA	$ 420,720	$ 3,966,950	$ 13,129,220	$ 38,786,491	$ 77,572,982	$ 135,752,719	$ 203,629,078	$ 254,536,347	$ 279,989,982	$ 293,989,481	$ 302,809,165
Less: Depreciation and Amortization	-	(499,872)	(1,346,725)	(3,729,121)	(7,458,242)	(13,051,923)	(19,577,884)	(24,472,355)	(26,919,591)	(28,265,570)	(29,113,538)
EBIT	$ 420,720	$ 3,467,078	$ 11,782,495	$ 35,057,370	$ 70,114,740	$ 122,700,796	$ 184,051,193	$ 230,063,992	$ 253,070,391	$ 265,723,911	$ 273,695,628
Less: Income (Taxes) Benefit @ 40.00%	(168,288)	(1,386,831)	(4,712,998)	(14,022,948)	(28,045,896)	(49,080,318)	(73,620,477)	(92,025,597)	(101,228,156)	(106,289,564)	(109,478,251)
Debt-Free Net Income (NOPAT)	$ 252,432	$ 2,080,247	$ 7,069,497	$ 21,034,422	$ 42,068,844	$ 73,620,477	$ 110,430,716	$ 138,038,395	$ 151,842,235	$ 159,434,346	$ 164,217,377
Plus: Depreciation and Amortization		499,872	1,346,725	3,729,121	7,458,242	13,051,923	19,577,884	24,472,355	26,919,591	28,265,570	29,113,538
Enterprise Gross Cash Flow		$ 2,580,119	$ 8,416,222	$ 24,763,543	$ 49,527,086	$ 86,672,400	$ 130,008,600	$ 162,510,750	$ 178,761,826	$ 187,699,917	$ 193,330,914
Less: Additions in Working Capital		2,351,085	2,963,584	8,338,386	13,051,923	19,577,884	22,840,865	17,130,649	8,565,324	4,710,928	2,967,885
Less: Capital Expenditures		(499,872)	(1,346,725)	(3,729,121)	(7,458,242)	(13,051,923)	(19,577,884)	(24,472,355)	(26,919,591)	(28,265,570)	(29,113,538)
Enterprise Net Cash Flow		$ 4,431,332	$ 10,033,481	$ 29,372,808	$ 55,120,767	$ 93,198,362	$ 133,271,581	$ 155,169,044	$ 160,407,559	$ 164,145,275	$ 167,185,262
Enterprise Net Cash Flow Growth		*NA*	*126.4%*	*192.7%*	*87.7%*	*69.1%*	*43.0%*	*16.4%*	*3.4%*	*2.3%*	*1.9%*
Enterprise Net Cash Flow Margin		*17.7%*	*14.9%*	*15.8%*	*14.8%*	*14.3%*	*13.6%*	*12.7%*	*11.9%*	*11.6%*	*11.5%*
Present Value of Enterprise Net Cash Flows:											
Partial Period Factor		100.0%									
Present Value Factor @ 30.00%		*0.8771*	*0.6747*	*0.5190*	*0.3992*	*0.3071*	*0.2362*	*0.1817*	*0.1398*	*0.1075*	*0.0827*
Present Value of Enterprise Net Cash Flows		$ 3,886,535	$ 6,769,189	$ 15,243,584	$ 22,004,602	$ 28,619,576	$ 31,481,043	$ 28,195,078	$ 22,420,727	$ 17,648,585	$ 13,827,260
Total Present Value of Enterprise Net Cash Flows		$ 190,096,178									

Present Value of Terminal Value:	
Terminal Cash Flow (2024 Net Cash Flow x Terminal Growth at 3.0%)	$ 172,200,819
Capitalization Multiple (1 / (WACC - g))	3.7
Terminal Value	$ 637,780,813
Present Value Factor @ 30.00%	0.0827
Present Value of Terminal Value	$ 52,748,438

Valuation Summary:	
Total Present Value of Enterprise Net Cash Flows	$ 190,096,178
Present Value of Terminal Value	52,748,438
Indicated Enterprise Value - Controlling, Marketable Basis	$ 242,844,616
Plus: Cash and Cash Equivalents	3,644
Less: Total Interest Bearing Debt	(191,142)
Indicated Equity Value - Controlling, Marketable Basis	$ 242,657,118

Valuation Analysis

For purposes of our analysis, the appropriate discount rate to apply is a weighted average cost of capital ("WACC"), calculated using estimates of required equity rates of return and after-tax costs of debt for the Target.

We determined the Target's estimated cost of equity and debt utilizing venture capital rates of return. In addition, the Target's capital structure was estimated to be approximately 100% equity and 0% debt.

The following table presents the Venture Capital Rate of Return studies:

Venture Capital Rates of Return

Stage of Development	Plummer [1]	Scherlis and Sahlman [2]
Start-up	50% - 70%	50% - 70%
First Stage or "Early Development"	40% - 60%	40% - 60%
Second Stage or "Expansion	35% - 50%	30% - 50%
Bridge/IPO	25% - 35%	20% - 35%

[1] Source: Plummer, James L., *OED Report on Venture Capital Financial Analysis*, Palo Alto: QED Research, Inc., 1987
[2] Source: Sahlman, William A. and Scherlis, Daniel R. *A Method for Valuating High Risk, Long-term Investments: The Venture Capital Method*. Boston: Harvard Business School Publishing, 1987.

Although these studies are dated, the indicated required rates of return have been corroborated by other, more recent studies. The following table presents the Pepperdine University: Private Capital Markets Project - 2013:

Kannaway, LLC
Required Rates of Return

Source	EBITDA ($ million)	Rate of Return 1st Quartile	Median	3rd Quartile
Pepperdine Private Equity Study[1]	$ 1.0	27.5%	30.0%	34.0%
	5.0	25.0%	26.0%	30.0%
	10.0	23.0%	25.0%	28.5%
	25.0	22.5%	25.0%	28.0%
	50.0	22.0%	24.0%	27.0%
	100.0	22.0%	24.0%	25.0%
	Stage Of Development	**1st Quartile**	**Median**	**3rd Quartile**
Pepperdine Venture Capital Study[1]	Seed	23.0%	33.0%	48.0%
	Startup	18.0%	28.0%	40.5%
	Early-Stage	18.0%	23.0%	33.0%
	Expansion	16.0%	23.0%	28.0%
	Later-Stage	12.5%	20.5%	24.5%
	Stage Of Development	**1st Quartile**	**Median**	**3rd Quartile**
Pepperdine Angel Investor Study[1]	Seed	25.0%	35.0%	80.0%
	Startup	17.5%	25.0%	37.5%
	Early-Stage	15.0%	21.0%	25.0%
	Expansion	15.0%	21.0%	25.0%
	Later-Stage	15.0%	21.0%	25.0%

[1]Pepperdine University, *Private Capital Markets Project 2013*

The following table presents the Target's WACC:

Kannaway, LLC Weighted Average Cost of Capital December 31, 2014	
Cost of Equity Capital:	
Venture Capital - Start-up	50% - 70%
Venture Capital - First Stage or "Early Development"	40% - 60%
Venture Capital - Second Stage or "Expansion"	30% - 50%
Venture Capital - Bridge/IPO	20% - 35%
Selected Cost of Equity [1]	**30.0%**
Capital Structure: [2]	
Equity / Total Capital	100.0%
Debt / Total Capital	0.0%
Total Capital	100.0%
WACC	**30.0%**
WACC (Rounded)	**30.00%**

[1] Venture Capital Rates of Return Studies
[2] Approximate current capital structure of the Company.

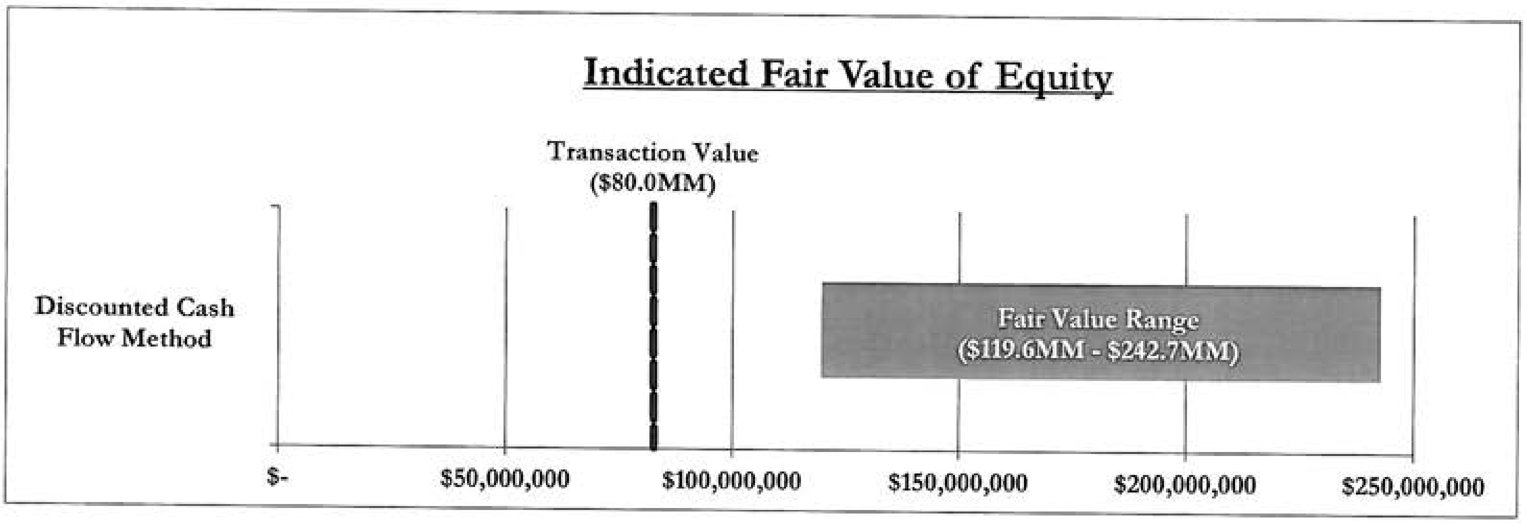
The fair value of Kannaway equity indicated by the Low Case and High Case as of the Date of Value are as follows:

Kannaway, LLC
Valuation Summary
As of December 31, 2014

Valuation Methodology		Low		High
Income Approach: Discounted Cash Flow Method	$	119,601,199	$	242,657,118
Indicated Fair Value of Equity on a Controlling, Marketable Basis	**$**	**119,601,199**	**$**	**242,657,119**

Valuation Analysis Conclusion

Based on our analyses, as described above, our valuation analysis study has concluded that the Target's indicated value of equity, as of the date of this presentation, is within the range presented in the following table:



Conclusion

It is Houlihan's opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to the Company and its existing shareholders.